



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

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Receive the Natividad Medical Center Financial Report for January 31, 2017

RECOMMENDATION:

It is recommended that the Monterey County Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for January 31, 2017.

SUMMARY:

The Monterey County Board of Supervisors Budget Committee has charged NMC Administration to report monthly on the financial status of the institution.

The average daily inpatient census (ADC) for the month of January 31, 2017 was 107.8 compared to a budget of 104.5. NICU, ICU, OB/GYN and Mental Health patient days were below the budget for the month, while Medical/Surgical, Pediatrics and Acute Rehab were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,707 compared to budget of 4,768, an unfavorable variance of 1.3%. Emergency Department were lower than budget by 1.5%.

Actual net income for the month was \$.6 million compared to a budget net income of \$0.2 million. Net patient revenues totaled \$17.9 million compared to a budget of \$16.7 million. Net revenues improved by 7.5% from improved payer mix. Revenues from Government funding totaled \$3.4 million compared to a budget of \$3.2 million. Other operating revenue totaled \$0.5 million compared to a budget of \$0.5 million. Operating expenses for month were \$21.2 million compared to a budget of \$20.2 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$790,256 and Registry expense of \$295,091. Cost per adjusted patient day was higher than budget by \$270.00 or 6.4%. Net revenue per adjusted patient day was higher than budget by \$312 or 8.9%.

The average daily inpatient census (ADC) for the year-to-date ended January 31, 2017 was 105.3 compared to a budget of 104.5. NICU, ICU, OB/GYN, and Mental Health, patient days were below the budget for the period, while Medical/Surgical, Pediatrics and Acute Rehabilitation were higher than budget for the period. Adjusted patient days (including both inpatient and outpatient volumes) totaled 31,886 compared to budget of 33,373, an unfavorable variance of 4.5%. Emergency Department visits year to date through January 31, 2017 were lower than budget by 1.8%.

Actual net income for the year-to-date ended January 31, 2017 was \$16.9 million compared to a budget net income of \$1.5 million. Net patient revenues totaled \$127.8 million compared to a budget of \$117.1 million. Net revenues improved by 9.1% from improved payer mix. Revenues from Government funding totaled \$34.2 million compared to a budget of \$22.4 million. Other operating revenue totaled \$3.6 million compared to a budget of \$3.5 million. Operating expenses for the year-to-date ended January 31, 2017 were \$148.7 million compared to a budget of \$141.5 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$3,007,486, Registry expense of \$1,778,637, Purchased Services of \$1,616,193, and Supplies of \$1,602,927. Cost per adjusted patient day was higher than budget by \$424.00 or 10.0%. Net revenue per adjusted patient day was higher than budget by \$499.00 or 14.2%.

Year-to-date through January 31, 2017, the balance in cash -Fund 451 - including \$3.2 million for the Seaside Clinics reserve was \$62.3 million. Collections from patients and various payers were \$22.9 million for the month.

Year-to- date through January 31, 2017, the balance in cash Fund 404 was 26.4. Expenditures for Fund 404 as of January 31, 2017 was 2.3M.

Total expenditures for capital as of January 31, 2017 were \$6.2 million. Remaining balance for capital expenditures for the year is \$21.5 million.

Patient receivables were \$28.7 million. Distribution by payer: 12.2% MediCal, 14.6% MediCal Managed Care, 14.9% Medicare, 56.9% Commercial, 0.1% Self Pay, and 1.3% Short Doyle. Distribution by aging: 17.8% In-House and under process, 53.1% between 0-60 days, 28.8% between 60-181 days and 0.3% over 181 days.

DISCUSSION:

NMC's Financial Statements as of January 31, 2017 are attached and will be presented by NMC staff at the scheduled meeting of the Budget Committee on March 29, 2017.

OTHER AGENCY INVOLVEMENT:

No other County agency participates in this reporting.

FINANCING:

There is no impact on the General Fund.

Daniel Leon, CFO
Natividad Medical Center

Date: March 15, 2017

Attachment: January, 2017 NMC Financial Statements